GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3982
ANSWERED ON:09.08.2002
FERA VIOLATION BY MNCS
BALIRAM

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government have been drawn to the news item `MNCs get FERA parting kick` appearing in the Economic Times dated June 5, 2002;

(b) if so, the details in this regard;

(c) the details of the companies to whom notices were issued by Enforcement Directorate; and

(d) the further action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) : Yes, Sir.

(b) : Eighteen Multi-National Companies (MNCs) are found to havepaid salaries/perquisites abroad to their foreign national employees working in India, without obtaining necessary permission of the Reserve Bank of India.These employees were/are also persons resident in India for the purposes of the Foreign Exchange Regulation Act, 1973 and payment of salaries, etc., to them outside India was violative of the provisions of the Foreign Exchange Regulations Act, 1973.

(c) & (d) : The names of the 18 companies involved in the matter are given in the Annexure to this reply. The Directorate of Enforcement has issued show cause notices to all these companies under the Foreign Exchange Regulation Act, 1973.

ANNEXURE

LOK SABHA UNSTARRED QUESTION NO.3982 FOR REPLY ON 9TH AUGUST, 2002

Names of Multi-National companies to whom Show Cause Notice(s) have been issued under the provisions of Foreign Exchange Regulation Act, 1973

S.NO.	NAME OF MULTI-NATIONAL COMPANIES	AMOUNT INVOLVED (RS. LAKHS)
1	M/s. Japan Airlines, New Delhi	103.47
2	M/s. Hyundai Motor (I) Ltd.,New Delhi	804.50
3	M/s. Samsung Corporation, New Delhi	2403.93
4	M/s. Merubeni (I) Pvt. Ltd.,New Delhi	983.72
5	M/s. Bank of Tokyo Mitsubishi Ltd.,New Delhi	2043.19
6	M/s. Motorola (I) Ltd.,Gurgaon	557.67
7	M/s. Mitsubishi Corporation,New Delhi	2052.92
8	M/s. Sanwa Bank Ltd. (UFJ Bank Ltd.),New Delhi	260.04
9	M/s. Bank of Nova Scotia, New Delhi	42.31
10	M/s. LG Electronics, New Delhi	80.63
11	M/s. Sony (I) Ltd., New Delhi	J. YEN - 574963183
12	M/s. Deutsche Bank, New Delhi	1343.42
13	M/s. Sakura Bank, New Delhi	J.YEN - 40978509
14	M/s. All Nippon Airways, New Delhi	147.33
15	M/s. Nokia Telecommunications, New Delhi	1086.02
16	M/s. Ericsson (I) Pvt. Ltd., New Delhi	3546.05
17	M/s. Daewoo Motors, New Delhi	266.68
18	M/s. Fuji Bank Ltd., New Delhi	280.88